

State of Iowa

Retirement Investors' Club (RIC)

403b Plan



Look forward to retirement!



For audio call 866-394-9515 & enter PIN# 5474057

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Presenter

Leader

Attendees | 1

Name
Robbie Stoecker

Content

Feedback

Faster ☐ 0
Perfect ☐ 0
Slower ☐ 0
Please Review ☐ 0
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Retirement Investors' Club

Welcome Employers!

The State of Iowa Retirement Investors' Club (RIC) is a supplemental retirement savings program.

RIC sponsors 3 types of plans to eligible employers:

- RIC 403b TSA plan
- RIC 457 deferred compensation plan
- RIC 401a employer plan



Looking *forward* to retirement



- **403b Plan value**
- **Local option**
- **RIC option**

Looking *forward* to retirement



403b Plan value



403b Plan

Why should you offer a plan?

Employee benefit programs help you

recruit & retain
quality
employees





403b Plan

Why should you offer a plan?

Retirement savings plans allow employees to manage their retirement goals so that

lack of retirement income doesn't dictate when they will retire





403b Plan

Why should you offer a plan?

403b plans help supplement an employee's pension and social security benefits

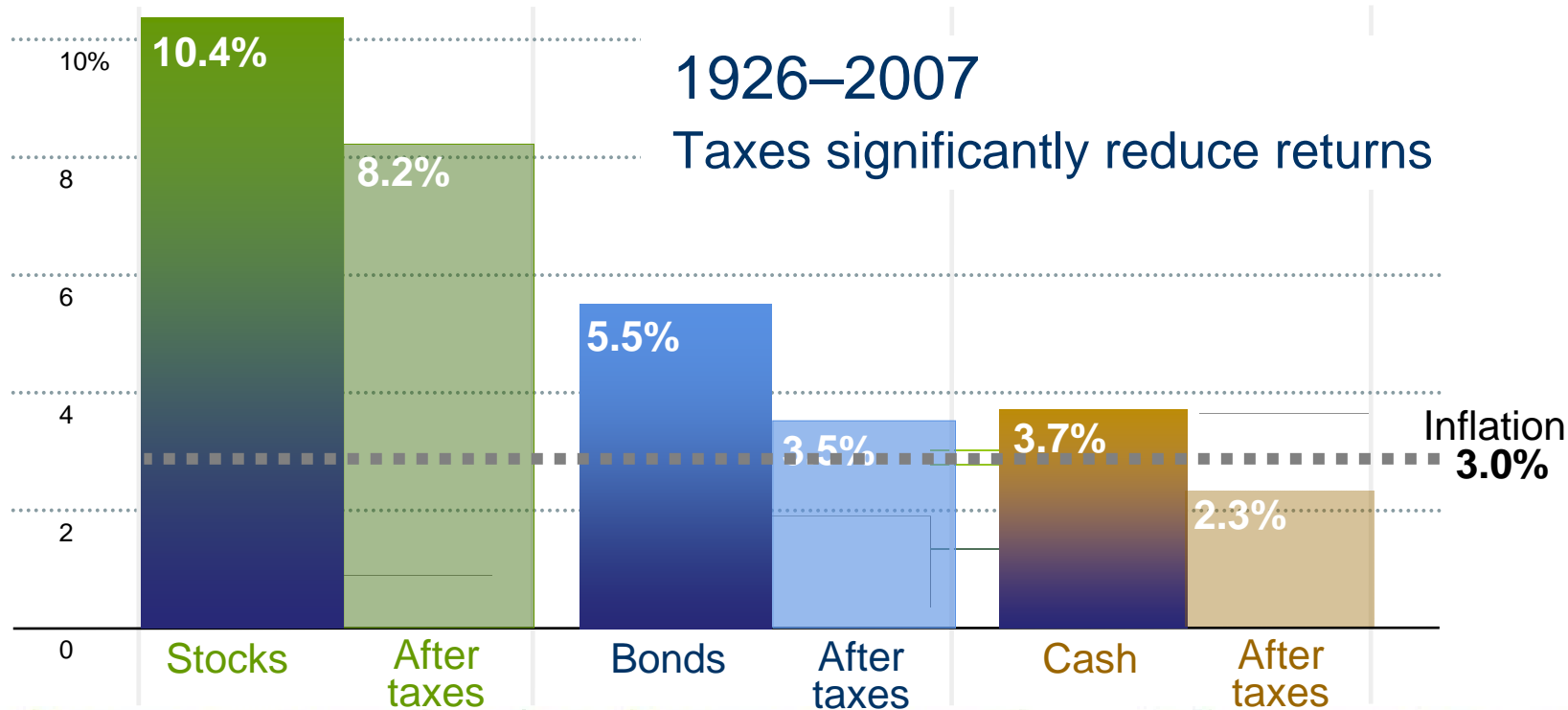




403b Plan

Why should you offer a plan?

403b plans reduce an employee's current income taxes and defer taxes on earnings



Looking *forward* to retirement

Local option





Local Option

Local option “to do list” for 2009 (if you don't join RIC)

- ☑ Select 2009 providers and products
 - Employer picks up to 5; associations pick up to 3
 - Selections must be in best interest of employees
- ☑ Decide how to administer
 - Self-administer
 - Hire a third party administrator
- ☑ Establish plan structure and rules
- ☑ Draft plan document, forms, etc
- ☑ Enter into ISAs with vendors
- ☑ Educate employees about plan choices



Local Option

Local option “to do list” for 2010 (if you don't join RIC)

- ☑ Draft request for proposal (use of investment consultant & attorney recommended)
- ☑ Select RFP review committee
- ☑ Issue, review, and score proposals
- ☑ Enter into agreements with selected vendors
- ☑ Establish investment policy and schedule periodic reviews
- ☑ Educate employees on new plan/providers



Local Option

Local option considerations

Plan maintenance responsibilities

- ☑ Process salary deferrals
- ☑ Remit deferrals to providers or TPA
- ☑ Monitor contribution maximums
- ☑ Educate employees
- ☑ Maintain plan document changes
- ☑ Provide/obtain legal advice/opinions
- ☑ Conduct periodic investment/plan reviews



Local Option

Plan maintenance responsibilities **cont'd**

- ☑ Maintain participant documentation
- ☑ Remit annual eligibility notices
- ☑ Qualify hardship withdrawals
- ☑ Process loans, QDROs
- ☑ Monitor/process RMDs & eligible distributions
- ☑ Process transfers & exchanges

Looking *forward* to retirement

RIC option





RIC Option

Why should you join RIC?

Experience, excellence, value...

- Qualified RIC staff
- Large plan management experience
- Streamlined processes
- Competitive bidding experience
- Established consultant relationship for investment reviews and competitive bidding
- Knowledge of federal & state laws





RIC Option

Why should you join RIC?

RIC provides a well-designed plan platform that is customizable plan to meet your needs.

Competitively bid providers

Negotiated services

Monitored investments

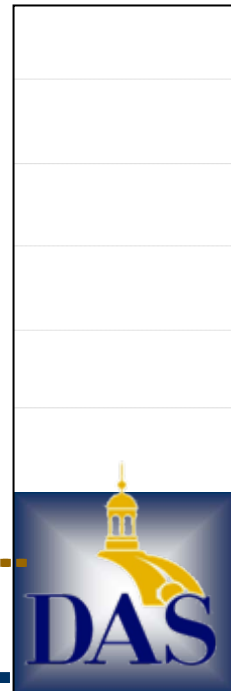
Contracted TPA

Program communications

Plan doc & investment policy

Federal/State law compliance

State 403b plan platform





RIC Option

Why should you join RIC?

Customize your plan by selecting optional features to meet your specific plan needs

Roth account.....

Participant Education.....

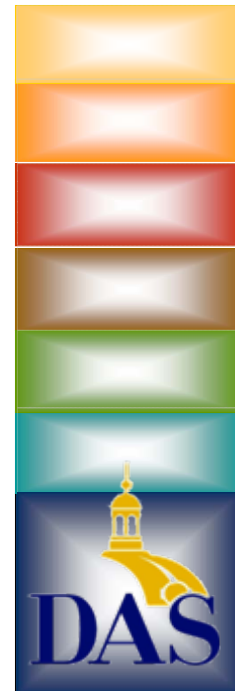
Loans & Hardships.....

Transfers & exchanges.....

Employer contributions.....

Eligibility rules.....

State 403b plan platform





RIC Option

Why should you join RIC?

RIC reduces the employer responsibilities to simply:

- Monitor payroll deductions
- Submit data
- Help develop education plan





RIC Option

Why should you join RIC?

RIC offers & manages provider selection services

2009 options	2010 & beyond
<ul style="list-style-type: none">■ AIG Retirement■ Hartford Life■ Horace Mann■ ING Financial Advisers■ Security Benefit■ TIAA-CREF	RIC will bid for vendors and products to begin 1-1-2010 and at least every 6 years afterwards-ensuring we continually offer the highest quality products and services available.



RIC Option

Why should you join RIC?

RIC offers attractive provider products & services

- Diversified fund line-up
- No surrender penalties or restrictions
- Flexible distribution options
- 24/7 internet and phone account access
- Investment planning tools
- Low costs



RIC Option

Why should you join RIC?

Through economies of scale, RIC can provide these quality products & services at low cost

Impact of fees on balance

\$10,000 investment held for...	Annual Fee			
	0%	.25%	1%	2%
1 year	\$10,600	\$10,573	\$10,494	\$10,388
5 years	\$13,382	\$13,216	\$12,726	\$12,096
10 years	\$17,908	\$17,466	\$16,196	\$14,633
20 years	\$32,071	\$30,505	\$26,231	\$21,411
30 years	\$57,435	\$53,280	\$42,485	\$31,330

6% average earnings rate

Source: Zecco



RIC Option

Why should you join RIC?

RIC providers have a large & growing network of advisors who can help employees make the most of their RIC plan

 **AIG** Retirement

515-267-1099



800-424-2825
ext 47628



866-630-4032



515-698-7975



866 598-5757



RIC Option

Why should you join RIC?

RIC provides portability for a mobile work force



Submit salary deferral to
new employer

- Select Provider
- Select advisor
- Select investments
- Complete applications/transfer forms
- Submit salary deferral to new employer



RIC Option

Why should you join RIC?

It's economical

<i>Estimated Employer Costs</i>	
RIC	On your own
<ul style="list-style-type: none">■ Implementation - \$400/employer■ Annually - \$350/employer■ Costs could change as of 8-15-08	<ul style="list-style-type: none">■ Third party administration fees■ Investment consultant fees■ Attorney fees■ Staff time



RIC Option

Why should you join RIC?

Participants have to access to...

- Onsite & web education
- Printed educational materials
- In person meetings





RIC Option

Why should you join RIC?

You have the option to offer your employees quality plan & provider/investment education



Investor types

	Aggressive	Moderately Aggressive	Moderate	Moderately Conservative	Conservative
Goal	Max growth	High growth	Steady growth	Safety & growth	Safety
Risk tolerance	Substantial	Substantial	Substantial	Limited	None
Possible timeframe	20+ years	10-20 years	10-15 years	Less than 10 years	Less than 5 years
Short-term loss	No problem	No problem	Not sure	Don't like it	Absolutely not!

Investor profile

sample slides

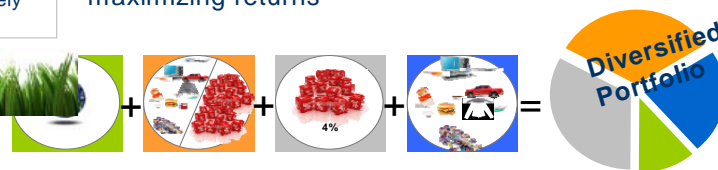
How do I invest?

Investment strategies

Diversify

Spread your investment dollars among a mix of aged investments to help you meet your retirement goals

- reducing risk
- maximizing returns





RIC Option

Why should you join RIC?

Access to plan information on the web

The screenshot shows the DAS website with the following elements:

- Header:** "Iowa Department of Administrative Services" and "DAS - GOVERNMENT'S PARTNER IN ACHIEVING RESULTS".
- Navigation:** "QUICK LINKS" menu on the left, "Alphabetical" and "Search..." options at the top.
- Left Sidebar:** Links for DAS Home, General Services, Human Resources, Information Technology, State Accounting, Home, Program Basics, Enrollment, Providers & Investments, Change Options, Distributions, Forms & Documents, State Employment, Employee Benefits, Training and Development, HR Policies and Information, and HRE Contacts.
- Main Content:**
 - Welcome to the Retirement Investors' Club (RIC)**
 - The Retirement Investors' Club (RIC)**, also known as deferred compensation, is a voluntary retirement savings program for State of Iowa employees designed to supplement pension and social security benefits at retirement. Your employer also matches a portion of your contributions. Contributions are made pretax through payroll deductions and investment earnings are tax-deferred.
 - Image:** A piggy bank in tall grass with the text "look forward to retirement!".
 - RIC UPDATES:** [Fixed Rates](#), [Tax Credit Income limits](#).
 - RIC QUICK LINKS:** [Program Summary](#), [Provider Summary](#), [RIC Account Form](#), [Information for PAs](#), [Request a seminar](#).
 - Text:** "This employer-sponsored savings opportunity gives you more reasons to look forward to retirement!"
- Footer:** A green button labeled "403b" with the text "Click here to view information regarding the State's RIC 403b Program."



RIC Option

Why should you join RIC?

Joining is EASY!

- ✓ Contact State
- ✓ Complete data sheet
- ✓ Sign agreement



Thank you for participating in today's RIC online presentation!

Questions?

- Review the RIC website
- Call the providers
- Call the RIC office at 515-281-0569
- Email jennifer.sandusky@iowa.gov

